# Before the FEDERAL COMMUNICATIONS COMMISSION Washington, DC 20554

In the Matter of	)	
	)	
Comcast Corporation, Time Warner Cable Inc.,	)	MB Docket No. 14-57
Charter Communications, Inc., And Spinco To	)	
Assign And Transfer Control Of FCC Licenses	)	
And Other Authorizations	)	

### **COMMENTS OF RFD-TV**

Patrick Gottsch
RFD-TV
c/o Rural Media Group, Inc.
9500 West Dodge Road
Suite 101
Omaha, NE 68114
(402) 991-6290

### TABLE OF CONTENTS

		<u>Page</u>
I.	INTRODUCTION	1
II.	BACKGROUND	2
III.	THE FCC SHOULD ENSURE THAT A POST-MERGER COMCAST DOES NOT DISCRIMINATE AGAINST RFD-TV'S INDEPENDENT RURAL PROGRAMMING	4
IV.	RFD-TV VIEWERS STRONGLY SUPPORT REINSTATING AND EXPANDING CARRIAGE OF RFD-TV POST-MERGER	11
V.	PROPOSED MERGER CONDITIONS	12
VI.	CONCLUSION.	14

# Before the FEDERAL COMMUNICATIONS COMMISSION Washington, DC 20554

In the Matter of	)	
	)	
Comcast Corporation, Time Warner Cable Inc.,	)	MB Docket No. 14-57
Charter Communications, Inc., And Spinco To	)	
Assign And Transfer Control Of FCC Licenses	)	
And Other Authorizations	)	

#### COMMENTS OF RFD-TV

### I. INTRODUCTION

On April 8, 2014, Comcast Corporation ("Comcast") and Time Warner Cable Inc.

("TWC") submitted applications to the Federal Communications Commission ("Commission" or "FCC") requesting consent for a series of related transactions to transfer control of several licenses and other authorizations for the sale of cable systems and assets from TWC, its affiliates and related entities to affiliates and subsidiaries of Comcast, to transfer Time Warner Entertainment–Advance/Newhouse Partnership's interests in Bright House Networks LLC to Comcast, and to effectuate a series of divestiture transactions between Comcast, Charter Communications, Inc., and SpinCo, pursuant to Sections 214 and 310(d) of the Communications Act of 1934, as amended ("Act").

\_

<sup>&</sup>lt;sup>1</sup> See 47 U.S.C. §§ 214, 310(d); Applications of Comcast Corp. and Time Warner Cable Inc. for Consent to Transfer Control of Licenses and Authorizations, Applications and Public Interest Statement (filed Apr. 8, 2014) ("Comcast-TWC Application"); Public Interest Statement of Comcast Corporation and Charter Communications, Inc., Charter-to-Comcast Exchange Transaction, MB Docket No. 14-57 (June 4, 2014); Public Interest Statement of Charter Communications, Inc. and Comcast Corporation, Comcast-to-Charter Exchange and Sale Transactions, MB Docket No. 14-57 (June 4, 2014); Public Interest Statement of SpinCo, Charter Communications, Inc., and Comcast Corporation, Spin Transaction, MB Docket No. 14-57 (June 4, 2014).

On July 10, 2014, the Commission issued its Public Notice seeking comment on these applications.<sup>2</sup> RFD-TV respectfully submits these comments in response to the Public Notice, requesting that if the Commission grants the Comcast-TWC Application, it show particular concern for the discrimination RFD-TV believes it faces as an independent rural programmer providing a vital link between urban and rural communities in the country. RFD-TV further requests that, if the Commission grants this merger, it also impose specific and enforceable conditions designed to protect and promote carriage of independent rural programming on the combined post-merger systems.

### II. BACKGROUND

RFD-TV has truly been an "FCC success story." Thanks to Congress' and the FCC's continued efforts to follow through in implementing the public interest obligations in Section 335 of the 1992 Cable Communications Act,³ Rural Media Group launched its flagship independent rural programming network RFD-TV in the year 2000. Initially launched as a non-profit network, RFD-TV was formed to serve the needs of rural America with non-commercial rural news and informational programming, covering agribusiness, equine, rural lifestyle, and western sports, as well as music and family-friendly entertainment programming. That year, RFD-TV signed its first distribution agreement with DISH Network. Over the next few years, it expanded carriage to Mediacom, DirecTV and the National Cable Television Cooperative. In 2007, in order to raise funds for expansion of its rural and agribusiness news operations, RFD-TV became a for-profit entity – allowing RFD-TV to expand its coverage of commodities

\_

<sup>&</sup>lt;sup>2</sup> See Public Notice, Commission Seeks Comment on Applications of Comcast Corporation, Time Warner Cable Inc., Charter Communications, Inc., and Spinco to Assign and Transfer Control of FCC Licenses and Other Authorizations, DA 14-986, released July 10, 2014 ("Public Notice").

<sup>&</sup>lt;sup>3</sup> Cable Television Consumer Protection and Competition Act of 1992, Pub. L. No. 102-385, § 25(a), 106 Stat. 1460, 1501-1502 (amended 2010).

markets reports, weather, western sports reports, as well as extended coverage of rural conventions like the American Farm Bureau Federation and National FFA conventions. Over the next several months, RFD-TV signed long-term carriage agreements with Comcast Corporation, Time Warner Cable, Verizon FIOS, Cox Communications, Mediacom, Suddenlink Communications, Charter Communications, and Bresnan Communications, in addition to restructuring its agreements with DISH and DirecTV. During this period of growth, RFD-TV launched its international channel RURAL-TV, RFD-TV The Magazine and RFD-TV The Theatre. In 2012, RFD-TV's parent company, Rural Media Group, purchased FamilyNet and a year later launched RURAL RADIO on SiriusXM. After 14 years of expansive growth, RFD-TV currently enjoys nearly nationwide carriage and is distributed to over 41 million homes in the U.S., an impressive feat for a truly independent rural network.

RFD-TV was the first of its kind, quickly finding a large audience with its original and unduplicated 24-hour schedule – filling a void for viewers seeking programming devoted to the rural lifestyle. RFD-TV has truly become the news and information programming channel for rural America. The network produces more than thirty hours per week of rural-focused live newscasts, including from its bureau at the USDA in Washington, DC, which focuses on providing information relevant to rural viewers about developments on Capitol Hill and within other Federal agencies. RFD-TV also provides daily reports from its Chicago news bureau reporting directly from the grain and livestock pits at the Chicago Mercantile Exchange.<sup>5</sup> RFD-TV additionally supports rural communities by investing in and supporting women- and youth-

\_

<sup>&</sup>lt;sup>4</sup> See Competition in the Video and Broadband Markets: the Proposed Merger of Comcast and Time Warner Cable, H. Comm. on the Judiciary (Testimony of Patrick Gottsch, Founder and Chairman, RFD-TV) ("Gottsch Testimony") (May 8, 2014) at p. 3. Available at http://judiciary.house.gov/\_cache/files/5abfe467-c0ba-4040-8eca-a7cdbe778ca4/gottsch-testimony.pdf.

<sup>&</sup>lt;sup>5</sup> *See id.* at 2.

focused programming and activities, including broadcasting female and youth western sports and conventions. RFD-TV provides daily western sports coverage during its rural evening news segment, providing viewers with the latest coverage of the rodeo industry, Professional Bull Riders events and horse shows.<sup>6</sup>

RFD-TV is an independent programmer with a loyal and passionate fan base. RFD-TV is currently ranked as the #1 cable channel for Adults 50+, #1 in C&D County Viewership and #1 for Time Spent Viewing for Adults 50+, based on audience composition. RFD-TV is in the top 30% of all networks watched (#68 of 234) in terms of time spent watching, at 19.13 hours per viewing household. RFD-TV's viewers are passionate because RFD-TV offers unique content not easily found elsewhere, providing information and programming that viewers have come to rely on.

# III. THE FCC SHOULD ENSURE THAT A POST-MERGER COMCAST DOES NOT DISCRIMINATE AGAINST RFD-TV'S INDEPENDENT RURAL PROGRAMMING

As the Commission has already found, following Comcast's merger with NBCUniversal, Comcast has emerged as a vertically integrated powerhouse with a proven preference for affiliated programming. Sadly, RFD-TV's experience has shown that Comcast's "ability and incentive ... to discriminate against or foreclose unaffiliated programming" is particularly

<sup>&</sup>lt;sup>6</sup> See id.

 $<sup>^{7}</sup>$  See 2013 Fall GfK MRI. See also Gottsch Testimony at 1.

<sup>&</sup>lt;sup>8</sup> See Rentrak TV Essentials, 03/31/14 through 6/29/14.

<sup>&</sup>lt;sup>9</sup> See Applications of Comcast Corporation, General Electric Company and NBC Universal, Inc. For Consent to Assign Licenses and Transfer Control of Licensees, Memorandum Opinion And Order, MB Docket No. 10-56, FCC 11-4, at para. 110 (rel. Jan. 10, 2011) ("We agree that the vertical integration of Comcast's distribution network with NBCU's programming assets will increase the ability and incentive for Comcast to discriminate against or foreclose unaffiliated programming.") (Comcast-NBC Universal Merger Order).

<sup>&</sup>lt;sup>10</sup> *Id*.

pronounced against the independent <u>rural</u> programming offered by RFD-TV. Following its merger with NBCUniversal, Comcast was left in a position to unilaterally and arbitrarily determine where and how to satisfy its merger condition to add 10 new independent channels – including at the expense of dropping RFD-TV's existing, successful independent rural programming from major markets in its network. Following its planned merger with TWC, Comcast's ability to discriminate against RFD-TV's independent rural programming will have even more potential pronounced effects. If Comcast and TWC are permitted to combine, the new entity would become the dominant pay TV provider in the top 10 television markets, and its reach would extend to 23 of the top 25 television markets and 37 of the top 40 television markets. Following this merger, if Comcast continues to discriminate against RFD-TV's independent rural programming, RFD-TV faces the prospect of being dropped from markets representing approximately one third of US households.

RFD-TV's concerns are not unfounded. Comcast has already demonstrated its bias against RFD-TV's independent rural programming when it dropped RFD-TV from carriage on its Colorado and New Mexico systems following its merger with NBCUniversal. On August 13, 2013, Comcast dropped RFD-TV on all of its cable systems in Colorado and New Mexico, depriving close to 500,000 viewers of a channel they love. Comcast did not even notify RFD-TV of its decision; rather, the only notice whatsoever Comcast gave was the notification printed on its customer bills 30 days ahead of shutting down RFD-TV's signal. Since shutting down

<sup>&</sup>lt;sup>11</sup> See Examining the Comcast-Time Warner Cable Merger and the Impact on Consumers, Senate Comm. on the Judiciary (Testimony of James Bosworth, CEO, Back9 Network) ("Bosworth Testimony") (April 9, 2014) at p. 10-11. Available at http://www.judiciary.senate.gov/imo/media/doc/04-09-14BosworthTestimony.pdf.

<sup>&</sup>lt;sup>12</sup> See Gottsch Testimony at 2.

<sup>&</sup>lt;sup>13</sup> *See id.* at 4.

RFD-TV in Colorado and New Mexico, Comcast has not launched RFD-TV in any additional markets and continues to refuse carrying RFD-HD at all.

Comcast now claims that its decision to drop RFD-TV from these systems was a business decision to reduce costs and free up bandwidth in those markets – attempting to characterize RFD-TV's viewership as negligible.<sup>14</sup> The facts belie Comcast's claims. Prior to Comcast's rash decision to drop RFD-TV in these markets, in May 2013, for weekend primetime, RFD-TV was ranked #72 (out of 283) in Denver, #42 (out of 225) in Colorado Springs/Pueblo and #62 (out of 291) in Albuquerque, NM – ranking in the top 20% or 25% in each of these markets.<sup>15</sup> However, in July 2013, when pressed to explain why Comcast was planning to drop RFD-TV, Lars Lofas of Comcast's team in Denver could not provide a plausible explanation, saying only that "[w]e had 12 channels to choose from and I chose RFD-TV."<sup>16</sup>

RFD-TV met with executives at Comcast's headquarters in Philadelphia on September 11, 2013, presenting them with close to 5,000 emails from viewers disappointed by this seemingly arbitrary and discriminatory decision by Comcast. The Further demonstrating resistance to its own customers' desires for independent rural programming, Comcast has stated that viewers in markets where Comcast has dropped RFD-TV should switch to DISH or DirecTV or subscribe to RFD-TV's "Country Club" service to access RFD-TV's programming online. Essentially,

<sup>1</sup> 

<sup>&</sup>lt;sup>14</sup> See Letter from David Cohen, Executive Vice President of Comcast Corporation to Patrick Gottsch, Founder and Chairman of RFD-TV, at p. 3, dated August 15, 2014 ("Comcast August 15 Letter") (Attachment D).

<sup>&</sup>lt;sup>15</sup> RFD-TV's figures are based on Nielsen Media Research individual DMA data from May 2013, Saturday and Sunday, 6pm to 11pm. *See also* Letter from Patrick Gottsch, Founder and Chairman of RFD-TV to David Cohen, Executive Vice President of Comcast Corporation, at p. 2, August 1, 2014 ("RFD-TV Letter") (Attachment C).

<sup>&</sup>lt;sup>16</sup> *Id.* at 3.

<sup>&</sup>lt;sup>17</sup> See Gottsch Testimony at 4.

<sup>&</sup>lt;sup>18</sup> See Comcast August 15 Letter at p. 5.

Comcast is giving its own customers two options to keep the channel they love – either pay

Comcast's contract penalties to switch to DISH or DirecTV or pay separately to access RFD
TV's content online instead of through their paid cable TV subscription. Neither of these options supports Comcast's claims that it is not biased against RFD-TV.

Comcast has argued that RFD-TV's rural news and information programming is not unique and is available on other networks that Comcast carries. <sup>19</sup> In fact, the programming to which Comcast purports to compare RFD-TV is nothing like RFD-TV - and Comcast's false comparison further underscores its lack of understanding of and bias against independent rural news and information programming. In a recent letter to Comcast, RFD-TV reiterated that it made a conscious decision not to carry the hunting or fishing shows or young country music shows to which Comcast compares RFD-TV - precisely because those programs are available on other networks carried by Comcast. In contrast, RFD-TV offers qualitatively distinct programming that is unique and unavailable on any other channel, including the networks to which Comcast inappropriately compares RFD-TV. RFD-TV has broadcast the National FFA Convention for the past 14 years, reaching over 8000 schools with FFA chapters and more than 568,000 FFA members between the ages of 16 and 20. And RFD-TV takes on the vital task in the rural public interest of serving the underserved market for rural news, including agribusiness news, agricultural weather, commodities markets and western sports news not covered at all by urban channels, broadcasting a minimum of 6 hours per day and 30 hours per week of rural news programming. This combination of programming is not available on any other network carried by Comcast, independent or otherwise.<sup>20</sup>

\_

<sup>&</sup>lt;sup>19</sup> See Comcast August 15 Letter at p. 2.

<sup>&</sup>lt;sup>20</sup> See RFD-TV Letter at 1.

Additionally, Comcast has refused to launch RFD-TV in any new markets since the NBCU merger and has not launched RFD-HD in any markets at all. In contrast to its challenges in maintaining carriage on Comcast's systems, RFD-TV has previously enjoyed very successful relationships with both TWC and Charter. In 2013, Charter launched RFD-TV in Fort Worth, TX and TWC added RFD-TV to many of its franchises throughout Kentucky. Given Comcast's treatment of RFD-TV to date, RFD-TV is justifiably concerned that if Comcast is permitted to take over these additional markets, RFD-TV will also begin to lose the carriage it enjoys today in these valuable communities. In fact, RFD-TV's carriage agreement with TWC has now expired – and TWC's negotiations to extend or renew RFD-TV's carriage agreement have gone dormant since Comcast's merger with TWC was announced. Given Comcast's clear bias against RFD-TV's independent rural programming, RFD-TV can only assume that its ability to be distributed on current TWC systems will be in jeopardy if Comcast's merger with TWC is approved.

RFD-TV's current carriage agreement with Comcast expires on December 31, 2015 and RFD-TV has every reason to fear that on that date Comcast could drop RFD-TV altogether from its system – blocking 30 million homes from access to RFD-TV.<sup>22</sup> RFD-TV legitimately fears that, if Comcast proceeds to drop RFD-TV in its combined post-merger territory, RFD-TV's access to advertising dollars will be severely limited, thus limiting the network's ability to invest in its programming, including vital rural news programming.<sup>23</sup> Furthermore, RFD-TV's 146 independent programmers, and all of the rural/agricultural associations, including the American Farm Bureau Federation, FFA, and 4-H, who depend on RFD-TV for distribution, are concerned

<sup>&</sup>lt;sup>21</sup> See Gottsch Testimony at 4.

<sup>&</sup>lt;sup>22</sup> See id. at 5.

<sup>&</sup>lt;sup>23</sup> See id.

about being shut out of important urban markets, limiting our joint efforts to bridge the gap between rural and urban America.<sup>24</sup>

As Comcast revealed in its responses to questioning in recent Congressional testimony, Comcast has a distorted view of its responsibility to serve rural communities. Comcast justified its decision to drop RFD-TV on the grounds that it views itself as primarily an "urban cluster" cable television company<sup>25</sup> – ignoring its customers' desire for access to independent rural programing. Comcast maintains that 86% of its cable systems are urban, 26 and that only 14% of its cable systems serve rural areas – numbers that RFD-TV wholeheartedly disputes. Yet as RFD-TV stated in its August 1, 2014 letter to Comcast, "[e]ven if 86% of Comcast's systems are urban (which we would dispute), should there not be room for one channel that serves the other 14%?"<sup>27</sup> Specifically, even taking Comcast's assessment of its rural viewership at face value, 14% of Comcast's nearly 30 million post-merger subscribers represents more than 4 million American homes in rural C and D counties – a significant underserved rural population that should not be ignored. Moreover, RFD-TV's rural news and information programming is not relevant solely for viewers in rural counties, but also of significance for urban areas as well - helping urban viewers remain connected to their rural roots, and helping urban and rural communities remain connected. The FCC has long stood for the goals of developing and supporting independent programmers and meeting the needs of underserved communities. RFD-TV urges the

<sup>&</sup>lt;sup>24</sup> See Attachment E.

<sup>&</sup>lt;sup>25</sup> "Competition in the Video and Broadband Markets: the Proposed Merger of Comcast and Time Warner Cable," H. Comm. on the Judiciary (Testimony of David Cohen, Executive Vice President, Comcast Corporation) ("Cohen Testimony") (May 8, 2014) at 1:27:37. Available at http://www.cspan.org/video/?319101-1/comcasttime-warner-cable-merger.

<sup>&</sup>lt;sup>26</sup> See Letter from David Cohen, Executive Vice President of Comcast Corporation to Patrick Gottsch, Founder and Chairman of RFD-TV, at p. 1, dated July 18, 2014 ("Comcast July 18 Letter") (Attachment

<sup>&</sup>lt;sup>27</sup> RFD-TV Letter at 3.

Commission to reinforce its commitment to those goals by showing particular concern now for the public's continued access to independent rural programming.

RFD-TV believes the Commission should extract stronger and more meaningful conditions from Comcast than the relatively toothless conditions to carry independent programming networks that Comcast is subject to now. In particular, when the Commission granted Comcast's application to merge with NBCUniversal, the Commission's order adopted a condition intended to promote Comcast's carriage of additional new independent programming.<sup>28</sup> But Comcast has been able to easily evade the intent of this condition. Comcast purports to show its compliance by stating the number of independents carried across its system, while omitting to report that independent programming like RFD-TV has been dropped in some markets - rendering its compliance with the merger condition little more than a shell game. Moreover, Comcast's assertions of compliance ignore the fact that the channels it reports actually get very little distribution. For example, RFD-TV is available in less than 600,000 of Comcast's 21 million homes. Such carriage equates to a penetration of less than 3%. RFD-TV's carriage penetration with TWC is only slightly better at 4%. Additionally, Comcast often places independent channels on its most expensive, non-promoted and obscure tiers. In Florida, for example, Comcast packages RFD-TV on a Sports Tier. Customers who want to watch RFD-TV must pay an additional \$8 a month to get this one channel and are forced to purchase a collection of sports channels they may not even want. The Commission must ensure that, if Comcast and TWC are permitted to combine, Comcast is no longer allowed to superficially boost its reports of independent programming by reporting channels with extremely limited distribution and reporting channels it is actually dropping, such as RFD-TV.

-

 $<sup>^{28}\,</sup>$  See Comcast-NBC Universal Merger Order at para. 120.

## IV. RFD-TV VIEWERS STRONGLY SUPPORT REINSTATING AND EXPANDING CARRIAGE OF RFD-TV POST-MERGER

The FCC has seen a massive outpouring of support for RFD-TV in comments by its loyal viewers. In just the past three months, based on RFD-TV's analysis, more than 57,000 submissions in support of RFD-TV have been filed in this proceeding by ordinary citizens who do not want to lose access to RFD-TV's independent rural programming.<sup>29</sup> Although RFD-TV is admittedly a small network, 57,000 passionate viewers represent approximately 42% of RFD-TV's prime-time viewing audience nationwide.<sup>30</sup> Additionally, these comments from RFD-TV supporters represent approximately 82% of the overall submissions filed with the Commission in response to the proposed transaction between Comcast and TWC.<sup>31</sup> Similarly, RFD-TV has determined that more than 11,000 members of the public have filed in support of RFD-TV in the ongoing proceeding to review AT&T's merger with DirecTV – representing more than 94% of the submissions filed with the Commission in that proceeding.<sup>32</sup>

Many commenters in urban areas noted that they enjoy RFD-TV's programming because it gives them an otherwise unavailable glimpse at rural life, helping them stay connected with

<sup>&</sup>lt;sup>29</sup> To perform this analysis, RFD-TV's staff has used the Commission's Electronic Comment Filing System ("ECFS") to download, print out and review the contents of every public submission filed into this docket as of the date of this filing. RFD-TV has determined that, of the total 69,655 submissions filed in this proceeding as of the date of this filing and reviewed by RFD-TV, 57,777 submissions filed mention RFD-TV, RuralTV and are supportive of rural programming.

<sup>&</sup>lt;sup>30</sup> See Thomas Gryta, Rural TV Channel Circles the Wagons, Wall Street Journal, Aug. 11, 2014, available at <a href="http://online.wsj.com/articles/rural-tv-channel-circles-the-wagons-1407778487">http://online.wsj.com/articles/rural-tv-channel-circles-the-wagons-1407778487</a> ("[RFD-TV] has had an average prime-time viewing of roughly 137,000 for the first half of the year, according to Nielsen.").

<sup>&</sup>lt;sup>31</sup> *See supra* at n. 29.

<sup>&</sup>lt;sup>32</sup> To perform this analysis, RFD-TV's staff has used ECFS to download, print out and review the contents of every public submission filed into MB Docket No. 14-90 as of the date of this filing. RFD-TV has determined that, of the total 11,899 submissions filed in that proceeding as of the date of this filing and reviewed by RFD-TV, 11,221 submissions filed mention RFD-TV, RuralTV and are supportive of rural programming.

where they used to live or with the farmers and ranchers who grow the food they
eat. Commenters also noted that RFD-TV provides unique programming that other cable
networks do not offer – namely, programming about agriculture, horses and ranching, country,
bluegrass, and polka music, and the rural lifestyle. Several commenters emphasized the
importance of the rural news and information programming provided by RFD-TV to
communities who rely on agriculture to sustain their economies, unduplicated and unavailable
elsewhere. In addition, many commenters said they enjoyed the fact that shows on RFD-TV are
family-friendly and informative; they do not have to worry that their children will see anything
objectionable.

In light of these numerous comments supporting RFD-TV, there can be no doubt of the strong support for access to independent rural programming from members of the public across the country. Furthermore, as discussed above, RFD-TV's strong Nielsen ratings in the Colorado and New Mexico markets prior to Comcast's decision to drop RFD-TV further underscores the strong demand for independent rural programming. In light of Comcast's stance against carriage of RFD-TV, there can be no doubt of the need for the Commission to act in its review of Comcast's merger with TWC to preserve and promote access to independent rural programming.

### V. PROPOSED MERGER CONDITIONS

RFD-TV requests that if the Commission grants the Comcast-TWC Application, the new entity should be subject to strict and enforceable conditions. RFD-TV proposes three merger conditions to satisfy its concerns.

Under the first proposed condition, no later than 12 months after the closing date of its transaction with TWC, Comcast shall expand its carriage of at least one independently owned-and-operated rural programming network that carries 30 hours or more of rural news and information programming per week ("Independent Rural Network") to at least 85 percent of the

cable systems owned or controlled by Comcast or its affiliates. As of 30 months after the closing date, Comcast shall expand its carriage of at least one Independent Rural Network to 100 percent of the cable systems owned or controlled by Comcast or its affiliates.

For the purposes of this condition, eligible independent networks are those not owned by Comcast, an affiliate of Comcast, associated with Comcast in any way, or owned by a top 15 programming network. Rural news and information programming shall include local, regional and national rural-related content, including rural general interest news and rural public affairs programming, agribusiness, commodities prices, agricultural weather, western sports news and other agricultural news-related programming. Finally, any Video Programming Vendor may enforce this Condition by submitting a dispute to the Commission in accordance with the Commission's program carriage complaint procedures as defined in the Commission's rules.<sup>33</sup>

As a second condition, RFD-TV further submits that the Commission must ensure that Comcast is not able to evade the intent of its existing merger condition under the *Comcast-NBC Universal Merger Order* to add new independent programming to its cable systems. Specifically, the Commission should permit Comcast to include in its count of independent programming networks carried on or added to its systems only those networks that reach at least 50% of Comcast's cable systems and at least 50% of Comcast's total number of subscribers. Furthermore, the Commission should prohibit Comcast from including in its count of independent programming networks carried on or added to its systems any networks that Comcast has dropped from any of its cable systems, as measured by the number of viewers reached since any previous report. Comcast should not be allowed to count networks like RFD-

-

<sup>&</sup>lt;sup>33</sup> See 47 C.F.R. § 76.1302.

TV to meet its merger condition obligations when in fact it has been steadily reducing its carriage of them.

Finally, as a third condition, RFD-TV submits that the Commission should require Comcast to report post-merger on its compliance with the conditions proposed here, including the number and percentage of cable systems in which it carries at least one Independent Rural Network, and the percentage of cable systems and percentage of subscribers reached by any programming network Comcast carries that it identifies as independent.

### VI. CONCLUSION

Since as far back as the 1893 Mail Communications Act, which led to the establishment of Rural Free Delivery mail service or RFD, or the establishment of the Rural Electrification Administration in 1935, federal policy has taken critical steps to ensure a balance of services and an ongoing connection between rural and urban American communities. In the modern era, RFD-TV has provided such a bridge connecting city and country. RFD-TV does not oppose the merger between Comcast and TWC. As demonstrated above, however, RFD-TV has substantial and justifiable concerns that following this merger it will be further pushed out from markets across the combined post-merger Comcast territory – depriving up to nearly a third of U.S. households of RFD-TV's unique and vital independent rural news and information programming. Therefore, RFD-TV requests that if the Commission permits the combination of Comcast and TWC, the new entity must be subject to specific and enforceable conditions requiring it to retain and expand its carriage of independent rural programming networks like RFD-TV, as suggested in Section V above.

Respectfully submitted,

### /s/ Patrick Gottsch

Patrick Gottsch **RFD-TV c/o Rural Media Group, Inc.**9500 West Dodge Road
Suite 101
Omaha, NE 68114
(402) 991-6290

August 25, 2014

### **ATTESTATION**

I declare under penalty of perjury that to the best of my knowledge the foregoing is true and correct.

/s/ Patrick Gottsch

Patrick Gottsch
RFD-TV
c/o Rural Media Group, Inc.
9500 West Dodge Road
Suite 101
Omaha, NE 68114
(402) 991-6290

August 25, 2014

# ATTACHMENT A



July 10, 2014

Mr. David Cohen Executive Vice President Comcast Corporation 1701 JFK Blvd. Philadelphia, PA 19103

Dear Mr. Cohen;

In a follow up to our brief meeting on May 8<sup>th</sup> at the House Judiciary Hearing, please find enclosed copies of RFD-TV's most recent ad campaign entitled "Think Outside The City", which is currently running in Advertising Age and other publications. I'm hoping that you find this amusing, as it does seem to now be the rallying cry for rural interests in regards to these mergers.

As I'm sure that you are aware, the "rural" issue is now dominating the comments to the FCC with at least 9 of 10 comments now being posted making reference to RFD-TV, RURAL TV, and the importance of rural programming. By address, you might find it interesting that many of these comments are coming from urban households. In addition, Senators and Congressmen are now beginning to be contacted by many of these folks concerned about the future of rural programming post merger, and many of those representatives now contacting us to become educated on this matter. National media is also starting to pick up on the story based on the passion being exhibited in the FCC comments.

It is my sincere hope that the constructive effort being shown by many existing and possible future Comcast customers is having a positive effect, and that we can find a way for Comcast to embrace rural America and rural programming in order to better serve Comcast's large, and growing, influence over the cable distribution throughout this great country.

I would look forward to meeting with you again in the near future where we might discuss a true partnership to better serve C&D county homes in the Comcast footprint, as well as, all the urban folks and senior citizens who identify with RFD-TV and RURAL TV's unduplicated programming.

I have also included copies of our most recent RFD-TV The Magazine issues which highlight our programming. Note that FamilyNet/RURAL TV will be completely independent of RFD-TV starting September 1, as we have just entered into a formal 10-year agreement with our new sales/marketing partner, Sony Pictures Television, to program FamilyNet 24/7 with selections from their popular library.

Sincerely,

Patrick Gottsch









# ATTACHMENT B



July 18, 2014

Mr. Patrick Gottsch, Founder Rural Media Group 9500 West Dodge Road Suite 101 Omaha, NE 68114

**Re:** Comcast Corporation/**RFD** 

Dear Mr. Gottsch:

Thank you for your letter of July 10.

As you know, Comcast's cable subscribers have diverse interests – including interests in rural news and culture – regardless of where they live. It is our goal as a cable provider to offer programming that appeals to all of our customers.

Thus, notwithstanding the fact that the vast majority of our subscribers live in urban locations – 86 percent reside in A&B counties – we carry a wide variety of rural-themed programming, including RFD-TV, as well as your rural-oriented affiliate FamilyNet (which has had large programming overlap with RFD-TV), in many markets. In fact, we have been a supporter of RFD-TV and have carried it since 2008. We have also *doubled* the carriage of your second network, FamilyNet, since 2011. While FamilyNet's programming may be changing going forward, our carriage of the network – and our overall *increase* in RFD programming across the board -- nevertheless demonstrates that we have been responsive to our subscribers with rural interests and supportive of RFD. Your continued insistence to the contrary, based solely on the decision to reduce carriage of RFD-TV in two states, is perplexing.

Further, RFD's two networks are only two of the cable channels that we carry that are geared to the needs and interests of rural viewers: Blue Highways TV, CMT, Destination America, Great American Country, HRTV, Outdoor Channel, Sportsman Channel, TV Land, and World Fishing Network all have a high level of rural interest. In addition, programming focused on rural interests is available from several other networks that we distribute widely, including A&E, CBS Sports, Food Network, and numerous local PBS affiliates.

While we work to serve the interest of all our subscribers, we simply cannot carry every network on every lineup in every market. Our local teams – who understand their markets -- choose programming for individual systems, with our local system operators being afforded considerable discretion to take into account many factors, including cost, uniqueness, and available bandwidth.

As we have explained to you, the decision to reduce distribution of RFD-TV in Colorado and New Mexico was made by the local Comcast teams based on these various factors. Among other things, the Denver and Albuquerque systems were very bandwidth constrained. We stopped carrying RFD-TV in these systems as part of a broader effort to reclaim bandwidth in order to improve Internet speeds and carry and/or enhance other services for Comcast customers.

In the markets in which RFD-TV was dropped, Comcast determined that customers were interested in obtaining more high definition ("HD") channels and an array of new programming. But this was not possible without at the same time carrying fewer existing channels. In most affected systems, Comcast added either two or three of the following HD channels: Cooking Channel, Disney Jr., Smithsonian Channel, Root Sports Rocky Mountain, and KQCK. Two systems went through extensive rebuilds, adding eight and nine HD channels, respectively, from a pool that included the channels just listed as well as Big Ten Network, C-SPAN, Ovation TV, Reelz Channel, and Tennis Channel. In addition, many of the systems also added at least one standard definition ("SD") channel and the two rebuilt systems added six and nine SD channels, respectively.

Thus, ending carriage of RFD-TV was part of an overall re-design of these systems. You have made it abundantly clear that you are disappointed by our decision to no longer carry RFD-TV in that small number of systems. I understand that. But every cable, satellite, and other distributor needs to make judgments and exercise its editorial discretion every day.

I also need to correct your statements before Congress about RFD-TV's "high ratings." First, and most significantly as to your facts, RFD-TV had literally no measurable Nielsen ratings in the markets where we ceased carriage. Second, the ratings information you repeatedly cite is based on only four days of prime time programming in a single month using a small sample size, and it was performed by Rentrak, based primarily on data from DirecTV and Dish. Rentrak has no access to Comcast customer viewership data, so these numbers provide no useful insight into Comcast customers' viewing of your channel. Finally, and in all events, as I have repeatedly explained, ratings alone do not drive our programming decisions.

In every carriage decision we make, we carefully evaluate what programming will most appeal to our local customers, based on assessing the real costs of continued carriage, the opportunity costs of not being able to carry other programming or provide other services. We are pleased to continue our long working relationship with RFD-TV and FamilyNet, and you can expect us to continue to operate in good faith and make legitimate business judgments to best serve all of our customers.

Sincerely,

David L. Cohen

Executive Vice President

## ATTACHMENT C





August 1, 2014

Mr. David Cohen
Executive Vice President
Comcast Corporation
One Comcast Center
Philadelphia, PA 19013

Dear Mr. Cohen:

I am concerned by much of the content of your letter of July 18, and will seek here to respond to the most troubling of the issues. The letter certainly reflects shortcomings in researching the history of RFD-TV and Rural TV/Family Net, and a lack of understanding of our objectives in growing and developing these channels. We also feel that the stereotypes of the rural and western lifestyle portrayed in your correspondence are disrespectful to the people who live in rural America today. In so many ways, those folks are the heart of this nation, and merit exceptional respect.

Here is where I believe your July 18 letter went awry:

First, Rural Media Group, Inc. purchased FamilyNet in August 2012. At that time, Comcast confirmed that there were 2,701,806 subscribers for FamilyNet distribution. Our most recent Comcast report, received in March of this year, confirmed 2,693,756 Comcast/FamilyNet subscribers. This is a decrease of 8,050 subscribers, not the "doubled" carriage of our second network, and the "overall increase in RFD programming" claimed in your letter.

Second, there is just one network in the U.S. geared to the needs and interests of rural viewers, RFD-TV (RFD HD), as evidenced by the more than 24,000 public comments now on file with the FCC regarding the proposed Comcast/Time Warner merger. In addition to that outburst of support, you will recall that more than 4,700 e-mails were delivered to your offices at the time you terminated RFD-TV coverage in Colorado and New Mexico. This is indeed a loyal following, and it is sincere; it is not a public relations ploy.

Third, RFD-TV's programming is original and unreplicated by any other channel. We do not air "hunting or fishing" shows, or "young country music" shows, because those interests are covered well by some of the channels mentioned in your letter. Our focus is (and always has been) on rural business news and the western lifestyle during daytime hours, with traditional, family-oriented entertainment featured in the evenings and on

# RURAL MEDIA



weekends. Over the past 14 years, this combination of programming – unavailable on any other network – has demonstrated that it has a strong and growing Nielsen-rated audience – in both rural and urban America. Shows like Petticoat Junction, Green Acres, Gunsmoke, Bonanza, and Little House on the Prairie, though entertaining, fill no void from a rural perspective. And they may foster and extend stereotypes that now border on reverse discrimination in our great country.

Fourth, Cost? Uniqueness? Available bandwidth? None of those were relevant to your decision to remove RFD-TV coverage in Colorado and New Mexico. That was conceded by Lars Lofas of your Denver Comcast team when he met with me and several others in his Denver office on July 23, 2013. After a review of RFD-TV's Nielsen numbers and the presentation of all those supportive e-mails, Mr. Lofas finally explained his decision to drop RFD-TV by saying: "We had 12 channels to choose from and I chose RFD-TV." That's not a persuasive explanation. But it was repeated again later when officials from Pueblo, Colorado appealed for a delay until more data supporting continued RFD-TV coverage could be provided. As you know, that request was denied. In a nutshell, RFD-TV was victimized by being an independent channel which, by contract, could be dropped without notice. Your own testimony offered at the May 8th hearing gave one explanation for the drop – "Comcast is primarily an urban clustered cable company."

Fifth, no cost or bandwidth was saved by Comcast. Al Jazeera America, a channel that costs twice as much as RFD-TV (and has less audience appeal, as measured by Nielsen Market Research), was added to these same systems two days after RFD-TV was dropped. Notably, Al Jazeera America is not enumerated as one of the channels added to the Comcast lineup as you "rebuilt" your systems. Could that be because, in the eyes of most Americans, adding Al Jazeera is not much of a "rebuild"!

Sixth, I stand by my Congressional statement about RFD-TV's high ratings in Colorado and New Mexico. The unedited ratings were provided by Nielsen Market Research, the industry's recognized leader. Those ratings were provided to Comcast and are now a part of the Congressional Record. You asserted that we were using Rentrak ratings, but that is incorrect.

RFD-TV ratings are particularly high for an independent channel; they speak for themselves. The numbers show RFD-TV as having been #72 out of 289 channels in the Denver market, #46 in Colorado Springs/Puebo, and #62 in Albuquerque in the popular primetime/weekends category. Comcast chose the timeframe and ratings period for which those numbers were generated. I asked Mr. Lofas to share Comcast's ratings data for RFD-TV, but he chose not do so. We therefore ordered Nielsen ratings for all channels

# RURAL MEDIA



carried by Comcast in the Colorado/New Mexico markets, so that a proper comparison could then be done.

May is normally one of RFD-TV's lowest ranked months. Hence, I would rather have ordered Nielsen's for February, when our audience is then more likely to be indoors. And in February we have coverage of the Denver Stock Show & Rodeo, a huge event, as well as the annual convention of the National Cattlemen's Beef Association, another major rural association that is also based in Denver. Of interest, Colorado is also the home for six other major rural associations/businesses with RFD-TV programming, including Professional Rodeo Cowboys Association, Professional Bull Riders, National High School Rodeo Association, National Little Britches Rodeo Association and Parelli Natural Horsemanship. They provide a splendid opportunity for coverage, of potential benefit to you and to us. All of that was lost via Comcast's termination of RFD-TV coverage in Colorado. Even the Governor contacted Comcast officials in an attempt to get our coverage reinstated, but to no avail. To all of us, this still is an inexplicable business decision.

I take strongest issue with your statement that RFD-TV had "no measurable ratings where Comcast ceased carriage." You provide no details with respect to the timeframe or verifiable supporting data for such a statement. That comment is simply inconsistent with all that we have learned by experience through Nielsen Market Research. It is also inconsistent with the outpouring of individual letters and e-mails, all heartfelt in tone, that have recently been sent to government entities in Washington, DC on our behalf. Those communications reflect a large, growing, exceptionally loyal RFD-TV viewership. We're proud of it, and Comcast should be too.

Seventh, peripherally related to all the above, please remember that RFD-TV is not just a rural channel, but that we also target viewers in the 50+ age range. That is done through programming devoted to traditional, family-oriented entertainment, during times when our coverage is not focused on rural business news, information, and features. In fact, we've embraced this older demographic while most other cable/satellite channels have steered their programming away from senior citizens and toward the "younger crowd." Currently RFD-TV is the #1 channel for Adults 50+ as a percentage of our viewership, and #1 for Time Spent Viewing in the 50+ democratic (again measured by Nielsen Market Research). Many of our older viewers now reside in urban areas, but they grew up on farms or have a strong family affiliation with rural America. RFD-TV is their link to that cherished past, a link that is not addressed by any other channel's programming, including Comcast's own RLTV. Many of the comments provided to the FCC and the Justice Department are from these older Americans with a rural background

# RURAL MEDIA



of some kind, for they truly feel abandoned by the urban-based programming offered by everyone else.

On a side note, this year we began a formal relationship with Sony Pictures Television for sales and marketing advertising of all our media properties. This partnership now includes an agreement for programming FamilyNet from the vast SPT library, beginning no later than September 1, 2014. As you have noted, RFD-TV has temporarily filled some of the gap created at FamilyNet when our 20th Century Fox agreement expired prior to finalization of the SPT accord. There will, however, be no crossover of rural programming between RFD-TV and FamilyNet after August 31.

As you well know, the demographics of FamilyNet and RFD-TV are totally different. Nevertheless, FamilyNet ratings this year, during the timeframe when our rural programming aired, appear to have quadrupled 2013 ratings in those time slots! That has occurred even though FamilyNet is distributed almost exclusively on urban cable systems in some of the top DMA's in the country. More proof of a rural/urban nexus.

Finally, I'd like simply to re-state my comment at the May 8 House hearing where both of us were present: "Can't there be just one channel devoted to rural America"? Even if 86% of Comcast's systems are urban (which we would dispute), should there not be room for one channel that serves the other 14%. That one channel just might reach more of the other 86% than you now anticipate, again as has been proven over the last 14 years with RFD-TV carriage by other cable distributors in urban markets.

It is time to move on. Instead of squabbling, you and I should be working together to foster a rural/urban link that will benefit Comcast customers for years to come. There is no upside for Comcast in erecting a wall between urban and rural America. That would be a bad business decision.

Sincerely,

Patrick Gottsch

Founder

Rural Media Group, Inc.

# ATTACHMENT D



August 15, 2014

### Via Overnight Courier

Mr. Patrick Gottsch, Founder Rural Media Group 9500 West Dodge Road Suite 101 Omaha, NE 68114

Re: Comcast Corporation/RFD

Dear Mr. Gottsch:

I am in receipt of your letter of August 1, 2014, and agree that "it is time to move on" from disappointment with Comcast's legitimate business decision to reduce carriage of RFD-TV in two of our systems. Comcast looks forward to continuing the more productive aspects of our business relationship with Rural Media Group ("RMG"). In order to do so, however, it is important to respond briefly to the inaccurate assertions and misrepresentations that you continue to espouse, including in your most recent letter.

To borrow your language, here is where I believe your August 1 letter went awry – which I will present point by point, following the order of your arguments:

First, regarding FamilyNet, in your written testimony submitted to Congress, you noted that, following the Comcast-NBCUniversal transaction, Comcast stopped launching RFD-TV in new markets and clearly implied that Comcast was hostile toward independent and rural programming after the transaction. To address this specific allegation, we made Congress and others aware that since the NBCUniversal transaction closed in 2011, Comcast has increased FamilyNet's carriage from 1.4 million customers in 2011 to 2.7 million customers by the end of 2013. Your focus on a small fluctuation in subscriber levels since RMG purchased FamilyNet cannot change the fact that Comcast has increased FamilyNet's carriage from 1.4 million customers in 2011 to 2.7 million customers by the end of 2013 – a net gain of *over one million subscribers* in just three years. It does not matter who owned the channel when the carriage was expanded. Despite your efforts to make this all about RMG and its business interests, and to conflate your business interests with the issue of Comcast's commitment to rural-themed programming, the relevant point remains – far from abandoning rural-themed programming after the NBCUniversal transaction, as you wrongly implied, Comcast has *expanded* its carriage of it.

Second, Comcast acknowledges and appreciates that RFD-TV has loyal viewers. That is why we continue to carry RFD-TV across the United States in cities such as Jacksonville, Florida, Nashville, Tennessee, Salt Lake City, Utah, and Richmond, Virginia. But your attempt

to cast the more than 24,000 public comments submitted to the FCC as evidence of support for RFD-TV's request for broader carriage on Comcast's platform is misleading and inaccurate. To begin with, less than half of those 24,000 comments have anything to do with RFD-TV. But in all events, RFD-TV's aggressive effort to seek out supporters and to mislead them as to Comcast's commitment to rural-themed programming and RFD-TV, merely reaffirms that some viewers watch and want RFD-TV. We agree with that assertion, which is why, again, we carry RFD-TV where we do. On the other hand, we have to make appropriate and reasonable carriage decisions in our local systems — even when those decisions may affect networks that have subscribers willing to submit comments in public proceedings.

Third, your overarching presumption that RFD-TV is the only programming of value to rural audiences is not only inaccurate, but also insulting to other programmers and viewers who would strongly disagree. Let me emphasize, again, that FamilyNet and RFD-TV are *not* the only channels we carry that are geared to the needs and interests of rural viewers. We have other channels, not owned by RMG, that also serve these needs and interests, and have their own loyal viewers. These other channels, and the millions of viewers who enjoy them, cannot be disregarded simply because they are not affiliated with RMG and do not contribute to its bottom line or meet your self-interested view of what constitutes rural programming. Rural viewers have diverse interests beyond RMG's programming and we meet those diverse needs. The examples I provided to Congress are but a sample of the richly diverse programming options available to our rural viewers and other customers. In short, Comcast's commitment to rural-themed programming is simply not just about you and your self-interested pecuniary interests, which now seems to be the exclusive focus of your advocacy.

Fourth, as I testified before Congress on May 8, 2014, RFD-TV was removed from Comcast systems in Colorado and New Mexico for legitimate business reasons, including the need for additional bandwidth to be used for higher speeds on our Internet service and to allow for the rollout of additional high definition channels that our local team deemed more important to our customers than RFD-TV. This statement was true in 2013, it was true when made before Congress, and it remains true today. The systems in Denver and Albuquerque were bandwidth constrained and thus underwent an overall re-design as part of an effort to reclaim bandwidth, improve Internet speeds, and add or enhance other programming services. The local business teams carefully considered many proposals for the re-design. Ultimately, removing RFD-TV from those systems made the most economic and business sense to accomplish the goals of the re-design effort. Your description of the July 23, 2013 meeting with Lars Lofas is entirely onesided and self-serving and is simply inaccurate. Mr. Lofas did not make the alleged statement to you or any public officials. This is not surprising as you have a habit of exaggerating and misrepresenting conversations with respect to RFD-TV, including your report of the conversation between Governor John Hickenlooper (his name is John and not Jim as set forth in your testimony) and me with respect to RFD-TV, in which I explained – and the Governor accepted – the matter as a legitimate business decision. In all events, as you ultimately acknowledge, Comcast's Western Distribution group had to make a difficult choice about which channel to drop as part of its re-design objectives for the entire Mile High region, consistent with its contractual rights. Such decisions inevitably result in disappointment for the affected channel

and its viewers; but that cannot be reason for us to undo lineup decisions based on reasonable and appropriate business factors.

Your further reference to support from officials from Pueblo, Colorado omits certain key facts. RMG's relocation proposal to Pueblo, and ultimate decision not to move forward with it, presumably relied on a large number of business, economic, geographic, and other conditions. Your attempt to make Comcast's carriage decision the determining factor was overstated at best – and in our view – was a misleading red herring. Furthermore, while you may have generated 4,000 emails to Comcast's programming executives in Philadelphia, the retention queue of our call center received only 65 calls from customers related to RFD-TV. And only a handful of Comcast customers cited the drop of RFD-TV as a reason for cancelling their service.

Fifth, contrary to your assertion, removing RFD-TV from our systems in Colorado and New Mexico *did* in fact help free up bandwidth and reduce costs, just as our local business team said in July 2013 and I have confirmed more recently. And this necessary re-design effort had nothing to do with Al Jazeera America ("AJA")'s inclusion in the system lineups, despite your persistent and transparent attempts to spread this fiction. I did not list AJA in my earlier letter because AJA was not a newly launched network that was "added" to Comcast's Denver and Albuquerque systems after RFD-TV was dropped. Rather, AJA *replaced* Current TV, which was already carried by Comcast there. AJA assumed Current TV's existing carriage rights when AJA acquired and rebranded the network. The amount of bandwidth associated with the channel was the same prior to and after that rebranding. Although you claim to be sensitive toward stereotypes and discrimination in other parts of the letter, your suggestion that "most Americans" would not support AJA over RFD-TV—feeds the very kind of stereotyping and discrimination you elsewhere decry.

Sixth, let's be clear about ratings. I've said this many times, but given your insistence on this topic, it bears repeating once more: ratings alone do not drive our programming decisions. Even well-measured ratings can be cyclical and unpredictable. For example, a recent article on a popular website identified *thirteen* RFD-TV shows that "zero humans" watched, according to the ratings. *See* Exhibit 1 (Buzzfeed article). I point this out not to suggest it is accurate, but only to suggest that you might reexamine your reliance on ratings as a determinative factor.

In all events, the simple fact is that RFD-TV did *not* have high ratings among Comcast viewers in Colorado and New Mexico, despite your claims. According to Nielsen Media Research data (which reflect actual viewership on Comcast systems and, therefore, is the ratings service on which we rely), RFD-TV's ratings in the 30 days prior to RFD-TV's reduction in distribution were 0.00 in Denver and "N/A" in Albuquerque, Colorado Springs, and Las Cruces, meaning they were so small that they were not reportable. Zero and not reportable are not "high ratings." They indicate zero to negligible viewership. Although our carriage decisions are not based solely on ratings, it does make it easier to decide to drop a channel when, as in RFD-TV's case, it has negligible ratings. Further, although we did not "cherry pick" this ratings period, as you wrongly imply, after receiving your August 1 letter, we went back and reviewed RFD-TV's ratings from January 2013 forward. According to Nielsen ratings data for this period:

- From January through June 2013, RFD-TV had average quarter-hour wired cable viewership of *just* 23 households in Denver.
- From January through June 2013, RFD-TV had average quarter-hour wired cable viewership of *just* 40 households in Albuquerque.
- In Las Cruces and Colorado Springs, Nielsen measurements only take place during February and May sweeps. In both markets, RFD-TV did not even meet the minimum 2.5% weekly cumulative threshold to be included in Nielsen published ratings in February 2013—what you claim is your strongest month.

In short, our subscribers in the Colorado and New Mexico systems, on the whole, simply were not watching RFD-TV in measurable numbers (which explains the absence of any meaningful reaction from our customers when we decided to drop the service). In contrast, the Nielsen ratings for Disney Jr., one of the HD channels added to our lineup in these systems, has substantially outperformed RFD-TV's ratings – registering 0.62 in Albuquerque; 0.17 in Colorado Springs; 0.13 in Las Cruces; and 0.09 in Denver for May 2014.

Notably, my prior assertions about RMG's use of Rentrak ratings for the Colorado and New Mexico systems were based *on your own submission*. When you met with Lars Lofas and the Comcast West Distribution group in July 2013, you provided them with the enclosed presentation. *See* Exhibit 2 (RFD-TV Presentation to Comcast West Distribution group). The presentation exclusively cites to *Rentrak* ratings data for the Colorado and New Mexico systems (*see* slides 10-17, 19 and 20, and 23-25). As I have previously explained, Rentrak does not have access to Comcast's viewer data, so these ratings data do not reflect any actual viewing by Comcast customers and do not provide insight into Comcast customers' viewing of your channel.

The Nielsen rankings data that you now cite in your August 1 letter cover only a limited timeframe (weekend prime time) in three specific markets (Denver, Colorado Springs/Pueblo, and Albuquerque). Your claims about RFD-TV's "high ratings" based on the network's relative ranking among channels in these markets are again overstated. We have pulled the Nielsen ratings for Denver, Colorado Springs/Pueblo, and Albuquerque for the same timeframe that you cite. In Denver, average quarter hour wired cable viewing — which measures *Comcast* customers — showed zero impressions for RFD-TV. On average, not enough people watched RFD-TV to even trigger a measurement. It thus appears that your Nielsen numbers for Denver are based entirely on viewing by direct broadcast satellite ("DBS") customers, which has nothing to do with either the number of *Comcast* customers' viewing your channel or its popularity among Comcast customers. In Colorado Springs, the wired cable audience for primetime weekends in May was again so small that the ratings were not reportable by Nielsen. And in Albuquerque, for May weekend primetime ratings, the average quarter hour wired cable numbers show 221 impressions. However, in Albuquerque, 89 percent of RFD-TV's viewership came from the DBS providers. Comcast customers made up only 11 percent of your total audience there. In

short, these data are hardly the "high ratings" you claim them to be and instead demonstrate zero to negligible Comcast viewership.

Seventh, it is unclear what you mean when you say "RFD-TV is the #1 channel for Adults 50+ as a percentage of our viewership." I take that to mean that adults over 50 make up RFD-TV's largest demographic, and not – as this statement might otherwise be read to suggest – that RFD-TV is the number one watched channel for this demographic as a whole – which it is plainly not. And I fail to see the relevance of the former point. Moreover, your attempt to equate RFD-TV's programming to "Comcast's own RLTV" is self-serving and inaccurate. RLTV is not branded as rural-themed, much less "devoted to rural America," as you elsewhere describe RFD-TV. Rather, by your own concession, RLTV is largely targeted to mature urban viewers. Furthermore, Comcast has less than an 8% interest in RLTV and does not manage or control it.

Your letter also references RMG's plans to eliminate the "crossover of rural programming between RFD-TV and FamilyNet." Of course, those future plans do not change the facts that existed at the time the carriage decisions at issue were made. See Exhibit 3 (Multichannel News Article). Nor is it accurate for you to suggest that RMG has simply used RFD-TV programming to "temporarily fill[] some of the gap" in programming at FamilyNet. By our analysis, the two networks have been airing the exact same programming over 40 percent of the time, and mostly during prime time hours, for over 19 months so far.

We congratulate you on your success with FamilyNet. Indeed, we are happy to contribute to that success by carrying the network to over 2.7 million of our subscribers. And we are also a continuing supporter of RFD-TV, carrying that network to over 600,000 subscribers. So in answer to your question about whether there can be programming "devoted to rural America," Comcast has clearly answered yes. Our continuing carriage of FamilyNet, RFD-TV, and numerous other networks with rural-themed programming is part of Comcast's commitment to providing programming for viewers of all demographics, including rural audiences. RMG may not agree with every one of our carriage decisions, but it is inaccurate and unreasonable for you to suggest that a failure to carry RFD-TV precisely as you would have preferred illustrates callous disregard for independent and rural programming.

In the end, consumers in America, including rural areas, have choices in both programming and pay television providers. Our customers can choose to enjoy a wide variety of Comcast programming that is geared towards rural viewers because, as I've said before, there is more than one channel of interest to rural America. Further, if RFD-TV is sufficiently important to consumers in the areas where Comcast does not carry the network, they can subscribe to Dish and DirecTV, for example. Indeed, DBS generally has a stronger market presence in the Nielsen C&D counties where you assert that RFD-TV has larger viewership. And if Comcast customers in New Mexico and Colorado want to keep their Comcast subscriptions, but would also want RFD-TV's content, including its agricultural business news, they can join RFD-TV's "Country Club" for \$90 a year and access all of the network's programming online from any smartphone,

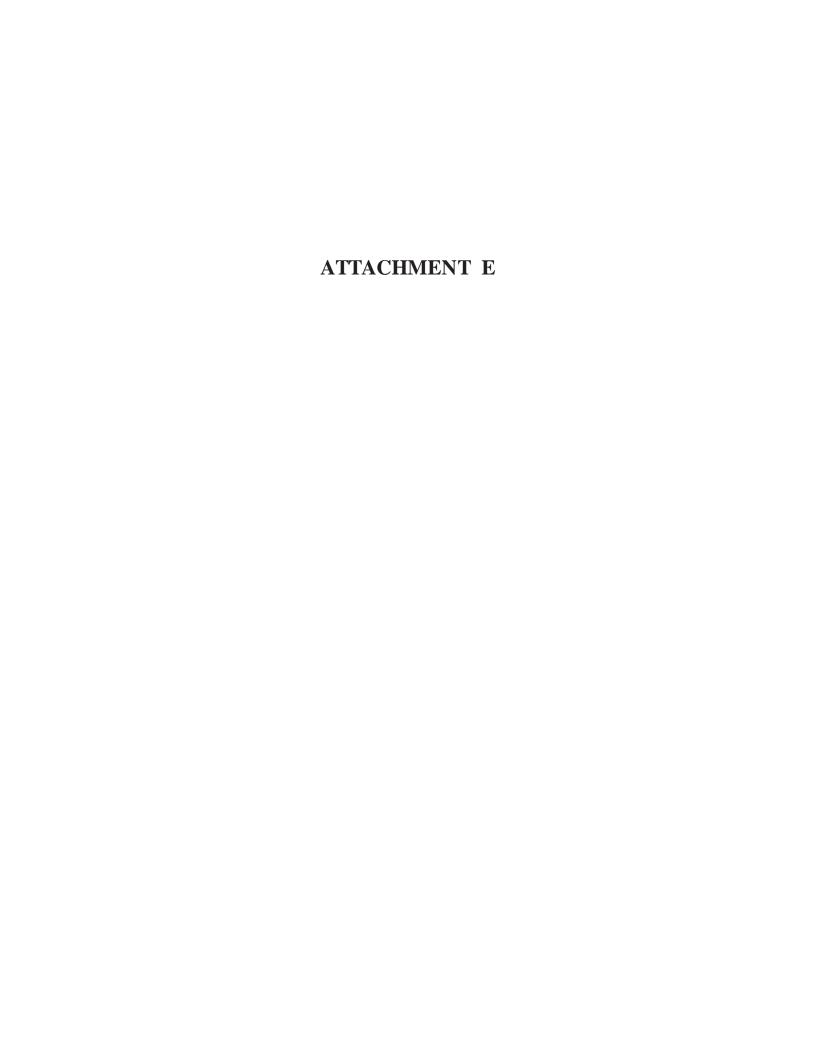
computer, or tablet. Nothing about the transaction will affect any of these multiple choices for rural viewers.

Finally, I appreciate your zeal for growing your business and am sensitive to your disappointment that Comcast does not carry RFD-TV more broadly. However, your efforts to drive a wedge between Comcast and rural viewers as a means to promote your own business interests is unfair and grossly inaccurate. As I stated at the close of my July 18 letter, Comcast will continue to carefully evaluate what programming will most appeal to our local customers, including those interested in rural-themed programming. And we will continue to operate in good faith and make legitimate business judgments that best serve all of our customers.

Sincerely.

David L. Cohen

Executive Vice President





# Independent Programmers

# 146 independent programmers depend on RFD-TV for distribution

Agribusiness	Equine	Music and Entertainment	Rural Life
AG DAY	ALL AMER COWGIRL CHICKS	ADVENTURES OF HAYGOODS	ALASKA MAGAZINE
AG PHD	ALL AROUND PERFORM HORSE	AMERICAN MT THEATRE	ANIMAL MAKEOVER TV
AMERICAN AGRO WOMEN	BEST OF AMERICA HORSEBACK	COUNTRYS FAMILY REUNION	BLUEGRASS & BACKROADS
AMERICAN DAIRY	BEYOND RODEO	COWBOY CHURCH	BOOT DADDY
AMERICAN FARMER TV	CHRIS COX	CUMBERLAND HIGHLANDERS	CALIFORNIA COUNTRY
AMERICAN RANCHER	CINCHTOWN NHSRA TOUR	GAITHER GOSPEL HOUR	CAMPFIRE CAFE
AMERICAS HEARTLAND	CLINTON ANDERSON DOWNUNDR	GILLEYS PLACE	CHRIS SHIVERS MBR
ANGUS REPORT	CRAIG CAMERON	HEE HAW	COOKIN OUTDOORS W/JN
BRAZIL AG REPORT	DENNIS REIS	IN THE BUNK HOUSE	COWBOY AUTHENTIC
CATTLE SHOW, THE	DOC TALK	JIMMY STURR SHOW	DAKOTA LIFE
CATTLEMEN TO CATTLEMEN	<b>EQUESTRIAN NATION</b>	JOEY AND RORY SHOW	HAPPY TRAILS 1HR
CLASSIC TRACTOR	GENTLE GIANTS	LARRYS COUNTRY DINER	HIDDEN HERITAGE
CORN COLLEGE TV	HORSE SHOW, THE	LIVE FROM DARYLS HOUSE	I LOVE TOY TRAINS
FARMWEEK	INSIDE REINING	MARTY STUART SHOW, THE	MACHINERY PETE
FFA CONVENTION	JULIE GOODNIGHT	MIDWEST COUNTRY	MECUM AUCTIONS
FFA TODAY	KEN MCNABB	MOLLIE B POLKA PARTY	MICHIGAN MAGAZINE
GEORGIA FARM MONITOR	LITTLE BRITCHES RODEO	MUSIC CITY SHOW	MISS RODEO AMERICA
GRANDAM FARM	NCHA Futurity Open	NASHVILLE ON ROAD	OKLAHOMA HORIZON
LOUISIANA AGRICULTURE	PARELLI NATURAL HORSEMAN	PENNY GILLEY SHOW	OUTSIDE THE BARREL
MACHINERY OF THE PAST	PROJECT COWBOY	POP GOES THE COUNTRY	PBR 20/20
MARKET DAY	RIDE W/CORD MCCOY	PORTER WAGONER SHOW	PRO RODEO LIVE
NATIONAL TRACTOR PULLING	SURE IN THE SADDLE	PRESLEYS COUNTRY JUBILEE	PROFESSIONALROUGHSTOCKSER
DUT ON THE LAND	TYLER MAGNUS ROPING&RIDIN	RED STEAGULL WEST OF WALL	QUILT IN A DAY
REN MF	WEEKEND CUTTER	RENOS OLD TIME MUSIC FEST	RD TO THE AMERICAN
RURAL AMERICA LIVE	WPRA Today	RIGHT PLACE W/KEVIN SPORT	ROAD TO VEGAS
STOCKSHOW CONFID		ROSE PARADE	RODEO LIVE UNPLUGGED
SUCCESSFUL FARMING		ROY ROGERS SHOW	RURAL HERITAGE
TALKING TRACTORS		SHOTGUN RED VARIETY SHOW	SMALL TOWN BIG DEAL
THIS WEEK IN AGRIBUSINESS		TRUCOUNTRY	TEAM ROPING
J.S. FARM REPORT		VIRGINIA DREAMS	TEXAS COUNTRY REPORTER
/IRGINIA FARMING		WILBURN BROTHERS	THE AMERICAN
oices of Agriculture		WILLIE NELSON ACT IV	TIMED EVENT 2014
			TOUGH GRIT
			TRAINS & LOCOMOTIVES
			VINTAGE COUNTRY WAYS
			WESTERN STYLE



# Agricultural Associations

Northeast Organic Farming Association

Agriculture Council of America

International Federation of Organic Agriculture Movements

Community Alliance with Family Farmers

U.S Farmers and Ranchers Alliance

National Association of Wheat Growers

Renewable Fuels Association

Agriculture Future of America

4-H Youth Development Organization

American Farm Bureau Federation

National FFA Organization

Center for Food Safety

National Farmers Union

**Grow Food** 

The Alabama Sustainable Agriculture Network

American Society of Agriculture and Biological Engineers

Carolina Farm Stewardship Association

Cascade Harvest Coalition

Networking Association for Farm Direct Marketing and Agritourism

Agriculture Marketing Research Center Agroecosystems Management Program

The Alternative Farming Systems Information Center

American Farmland Trust

Appalachian Sustainable Agriculture Project

National Sustainable Agriculture Information Service

Bio-Integral Resource Center

Community, Food, and Justice Coalittion

The Center for Agroecology and Sustainable Food Systems

Center for Applied Rural Innovation
Center for Environmental Farming Systems

Center for Integrated Agriculture Systems

Center for integrated Agriculture Systems

John Hopkins BloomBerg School of Public Health

Center for Rural Affairs

Agriculture Research Service

United States Department of Agricultue

American Soybean Association Invest an Acre

invest an Acre

Feeding America

American Agri-Women

CropLife America

Farm to Table

S.H.A.R.E Agriculture Foundation

Growing Power, Inc.

The Kerr Center for Sustainable Agriculture

**Ecological Farming Association** 

Agriculture Drainage Management Coalition

Cause Matters Corp

Protect the Harvest

Food and Agriculture Organization of the United Nations

NC Cooperative Extension

Community Involved in Sustaining Agriculture

Sustainable Harvest International

Center for Sustaining Agriculture and Natural Resources

Multinational Exchange for Sustainable Agriculture

Oregon Tilth Inc

21 Acres

Roots of Change

Multnomah Food Initiative

Acterra

Aprovecho

Groundswell International

Center for EcoLiteracy

Community Food Security Coalition

Food Routes Network

Institute for Agriculture and Farm Policy

National Farm to School Network

Organic Farming Research Foundation

The Food Project

Angelic Organics Learning Center

California Rare Fruit Growers Association

Live Earth Farm

National Family Farm Coalition

National Sustainable Agriculture Coalition

National Young Farmers' Coalition

Soil Born Farms

Sustainable Agriculture Research and Education

Non GMO Project

American Seed Trade Association

American Society of Agronomy

Agriculture Future of America

American Sugar Alliance

Animal Agriculture Alliance

Farmers National Company

National Association of Conservation Districts

National BioDiesel Board

National Corn Growers Association

National Grain and Feed Association